



CHOCTAW COUNTY AMBULANCE AUTHORITY

Statutory Report

For the fiscal year ended June 30, 2018

Cindy Byrd, CPA
State Auditor & Inspector

**CHOCTAW COUNTY AMBULANCE AUTHORITY
STATUTORY REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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Cindy Byrd, CPA | State Auditor & Inspector

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January 21, 2020

**TO THE BOARD OF DIRECTORS OF THE
CHOCTAW COUNTY AMBULANCE AUTHORITY**

Transmitted herewith is the audit report of Choctaw County Ambulance Authority for the fiscal year ended June 30, 2018.

The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Cindy Byrd".

Cindy Byrd, CPA
Oklahoma State Auditor & Inspector



**CHOCTAW COUNTY AMBULANCE AUTHORITY
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Presentation of Collections, Disbursements, and Cash Balances of District Funds for FY 2018.

	<u>FY 2018</u>
Beginning Cash Balance, July 1	\$ 1,184,284
Collections	
Ad Valorem Tax	208,811
Charges for Services	962,854
County Sales Tax Reimbursements	200,761
Miscellaneous	2,763
Total Collections	<u>1,375,189</u>
Disbursements	
Personal Services	984,302
Reevaluation	7,636
Maintenance and Operations	238,502
Capital Outlay	188,937
Audit Expense	7,252
Total Disbursements	<u>1,426,629</u>
Ending Cash Balance, June 30	<u>\$ 1,132,844</u>

Source: District Estimate of Needs (presented for informational purposes)

Choctaw County Ambulance Authority
P.O. Box 567
Hugo, Oklahoma 74743

**TO THE BOARD OF DIRECTORS OF THE
CHOCTAW COUNTY AMBULANCE AUTHORITY**

For the purpose of complying with 19 O.S. § 1706.1, we have performed the following procedures:

- Determined charges for services were billed and collected in accordance with District Policies.
- Determined that receipts were properly deposited and accurately reported in the accounting records.
- Determined cash balances were accurately reported in the accounting records.
- Determined whether deposits and invested funds for the fiscal year ended June 30, 2018 were secured by pledged collateral.
- Determined that disbursements were properly supported, were made for purposes outlined in 19 O.S. § 1710.1 and were accurately reported in the accounting records.
- Determined that all purchases requiring bids complied with 19 O.S. § 1723 and 61 O.S. § 101-139.
- Determined that payroll expenditures were accurately reported in the accounting records and supporting documentation of leave records was maintained.
- Determined that fixed assets records were properly maintained.
- Determined compliance with contract service providers.
- Determined whether the District's collections, disbursements, and cash balances for the fiscal year ended June 30, 2018 were accurately presented on the estimate of needs.

All information included in the records of the District is the representation of the Choctaw County Ambulance Authority.

Our emergency medical service district statutory engagement was limited to the procedures performed above and was less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, we do not express an opinion on any basic financial statement of the Choctaw County Ambulance Authority.

Based on our procedures performed, we have presented our findings in the accompanying schedule.



This report is intended for the information and use of the management of the Choctaw County Ambulance Authority. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR AND INSPECTOR

September 10, 2019

**CHOCTAW COUNTY AMBULANCE AUTHORITY
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SCHEDULE OF FINDINGS AND RESPONSES

Findings 2018-002 - Internal Controls and Noncompliance Over Daily Deposits (Repeat Finding)

Condition: Based on inquiry of Choctaw County Ambulance Authority (the Authority) staff, observation of the collections process, and a test of five (5) deposits, the following weaknesses were noted:

- In five (5) instances, collections were deposited more than two (2) days after the date of receipt.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure deposits are made daily in accordance with state statute and issued in sequential order.

Effect of Condition: This condition resulted in noncompliance with state statute and could result in inaccurate records, incomplete information or misappropriation of assets.

Recommendation: The Oklahoma State Auditor & Inspector's Office (OSAI) recommends the Authority design and implement policies and procedures to ensure that deposits are made timely in accordance with 62 O.S. § 517.3 B.

Management Response:

Chairman of the Board: The Administrator and Board will implement a recordkeeping policy for daily deposits. Office personnel will deposit all funds and monies of whatsoever kind that come into the possession of Choctaw County Ambulance Authority daily, no later than the immediate next business day.

Criteria: The United States Government Accountability Office's *Standards for Internal Control in the Federal Government* (2014 version) aided in guiding our assessments and conclusion. Although this publication (GAO Standards) addresses controls in the federal government, this criterion can be treated as best practices and may be applied as a framework for an internal control system for state, local, and quasi-governmental entities.

The GAO Standards – Section 2 – Objective of an Entity - OV2.23 states in part:

Compliance Objectives

Management conducts activities in accordance with applicable laws and regulations. As part of specifying compliance objectives, the entity determines which laws and regulations apply to the entity. Management is expected to set objectives that incorporate these requirements.

Title 62 O.S. § 517.3 B states in part “The treasurer of every public entity shall deposit daily, not later than the immediately next banking day, all funds and monies of whatsoever kind that shall come into the possession of the treasurer by virtue of the office ...”

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Finding 2018-003 – Internal Controls Over the Disbursement Process (Repeat Finding)

Condition: Based on inquiry of Authority staff and observation of the disbursement process, the following exceptions were noted regarding the test of forty (40) disbursements:

- Two (2) of the forty (40) disbursements did not have proper supporting documentation attached to the claim.
- Fourteen (14) of the forty (40) disbursements did not have evidence of a receiving signature/verification of accuracy of the invoice.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure all claims are filed with supporting documentation including evidence of receiving goods and/or services.

Effect of Condition: These conditions could result in inaccurate records, incomplete information or misappropriation of assets.

Recommendation: OSAI recommends the Authority design and implement policies and procedures to ensure that all disbursements have proper supporting documentation and receiving goods and/or services as evidenced by a signature and date of receipt.

Management Response:

Chairman of the Board: The Administrator and Board will implement a policy that ensures all disbursements have proper supporting documentation and evidence of receiving goods and/or services. All merchandise received will have two signatures on the packing slip at the time of delivery. All invoices will be compared to the packing list to ensure all merchandise was received with two signatures for approval. All service invoices will be signed to ensure services received are accurate. Board members will inspect all purchase orders at the next scheduled meeting to ensure proper accountability for funds being spent.

Criteria: The GAO Standards – Principal 10 – Design and Control Activities – 10.03 states part:

Segregation of duties

Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets so that no one individual controls all key aspects of a transaction or event.

Accurate and timely recording of transactions

Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary record. In addition, management designs control activities so that all transactions are completely and accurately recorded.

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Appropriate documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Finding 2018-006 –Internal Controls Over the Payroll Process

Condition: Based upon inquiry of Authority staff, observation of the payroll process and a review of twenty-one (21) payroll documents, the following weaknesses were noted:

- One (1) employee’s timesheet was not signed by the supervisor.
- Three (3) employees’ timesheets were not signed by the employee.
- One (1) employee’s timesheet was not signed by the employee or supervisor.

Cause of Condition: Policies and procedures have not been designed and implemented to ensure timesheets are signed and reviewed for approval.

Effect of Condition: These conditions could result in incorrect accrual of wage and leave benefits, unrecorded transactions, misstated financial reports, clerical errors, or misappropriation of funds not being detected in a timely manner.

Recommendation: OSAI recommends the Authority design and implement policies and procedures to ensure that timesheets are reviewed and approved for accuracy.

Management Response:

Chairman of the Board: The Administrator and Board have implemented a policy and procedure concerning the payroll process. A timeclock automated system has been installed and is being utilized by all employees to ensure all time worked is accurate. There is now a printout of time worked for all employees to be approved by said employee and supervisor. Thee Administrator will ensure all timesheets are signed by the employee and approved by a supervisor. Plans are in the process for the Authority staff to be trained in the utilization of the timeclock functions for all employees. Management will have more controls of hours work with the implementation of this automated system.

Criteria: The GAO Standards – Principal 10 – Design and Control Activities – 10.03 states part:

Appropriate documentation of transactions and internal control

Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

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